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1.0 INTRODUCTION

This Award Term Plan establishes an incentive system by which the contractor can earn additional periods of performance (Award Terms) under the Vehicle Operations & Maintenance contract at Wright-Patterson AFB, OH. This plan defines the criteria used to determine the amount of award term points earned based on the assessments of the contractor's performance. Adjustment to the term of the contract resulting from the award of points under this plan will not yield a contract period of more than 7 years. The Contracting Officer will provide for any award term extensions earned by the contractor through unilateral contract modifications.

2.0 AWARD TERM REVIEW BOARD ORGANIZATION

The Award Term Review Board (ATRB) and the Term Determining Official (TDO) will make up the award term organizational body. See Annex 1 for membership of the ATRB. Their responsibilities are described below.

- 2.1 *Term Determining Official (TDO)*: The TDO approves the award term plan and any significant changes to it. The TDO reviews the recommendation(s) of the ATRB, considers all data, and determines the earned award term points for each evaluation period. The TDO appoints the ATRB Chairperson.
- 2.2. *Award Term Review Board*: The ATRB members will review the performance monitors' evaluations of the contractor's performance, consider all information, and arrive at an earned award term points recommendation to present to the TDO. The ATRB will also recommend any changes to the award term plan.
- 2.3. *ATRB Recorder*: The ATRB recorder is responsible for coordinating the administrative actions required by the Performance Monitors, the ATRB, and the TDO.
- 2.4. *Performance Monitors*: Performance monitors are the quality assurance personnel that will evaluate and document the contractor's performance. They will maintain written records of their evaluations so a fair and accurate assessment of contractor performance is obtained. Interim and end-of-period evaluation reports will be prepared and submitted to the ATRB.
- 2.5. *Contracting Officer*: The CO is the liaison between the contractor and Government personnel. The CO modifies the contract ordering period if necessary to reflect the decision.

3.0 AWARD TERM PROCESS

- 3.1. *Available Award Term Point Amount*: The earned award term points will be based on the contractor's performance during each Award Term/evaluation period. There are 100 points available for each evaluation period. Unearned points will not rollover from one evaluation period to the next. Up to ten additional 'Bonus' points can be earned in each evaluation period based on process improvements implemented by the contractor and determined beneficial by the ATRB. (Reference Attachment 2)
- 3.2. *Evaluation Criteria*: If the CO does not provide specific notice in writing to the contractor of changes to the evaluation criteria prior to the start of an evaluation period, the same criteria from the preceeding period will be used in the subsequent evaluation period. Any changes to evaluation criteria will be made by revising Annex 3 and notifying the contractor. Award Term/evaluation period I will begin 1 Apr 2006 and extend through 31 March 2007. Thereafter, Award

term/evaluation periods II & III will be from 1 Apr 2007 thru 31 Mar 2008 and 1 APR 2008 thru 31 Mar 2009, respectively. (Reference Attachment 5)

- 3.3. *Interim Evaluation:* Interim evaluations for each evaluation period will occur at six-month intervals. The ATRB Recorder will notify each ATRB member and the performance monitors 14 calendar days before the interim period is complete. Performance monitors will submit their evaluation reports to be received by the CO not later than 7 calendar days after the end of the interim period. If the contractor chooses to submit a self-assessment report for the Interim evaluation the report shall also be received by the CO not later than 7 calendar days after the end of the interim period. (The self-assessment shall be no more than 15 total pages in length.) The ATRB will then convene and review all information to assess the contractor’s strengths and weaknesses for the interim period. The CO will provide the contractor with the interim evaluation assessment, including areas of strength and weakness.
- 3.4. *End-of-Period Evaluations:* The ATRB Recorder will notify each ATRB member and performance monitor 14 calendar days before the end of the evaluation period. Performance monitors will submit their evaluation reports to be received by the CO not later than 10 calendar days after the end of the evaluation period. The contractor’s self-assessment shall also be received by the CO not later than 10 calendar days after the evaluation period ends. (The self-assessment shall be no more than 15 total pages in length.) After receiving the performance monitors’ evaluations and the contractor’s self-assessment the CO will forward these to the ATRB members. ATRB members will review all information and assess a preliminary rating and point total for each of the evaluation criteria. The evaluation criteria and award points are outlined in Attachments 2 & 3. The ATRB will convene and arrive at a consensus assessment for the overall ratings and point totals. The average for each criteria will then be adjusted according to its weighted percentage of the total and the points will be added together to determine a grand total (identified in Attachment 2). The recommendations of the ATRB shall be briefed to the TDO within 30 calendar days after each evaluation period, and the TDO will make a determination of the earned award term points within 45 calendar days after each evaluation period. The CO will notify the contractor in writing of the TDO’s determination, and if necessary, issue a unilateral modification to increase the term of the contract in accordance with the terms of this plan.
- 3.5. *Required Points:* A minimum of 50 points is required from evaluation period 1 in order to be awarded Award Term I. For each subsequent evaluation period a minimum 50 points will be required for award of an additional Option Period. (Reference Attachment 5.) The points associated to the evaluation ratings can be referenced in the conversion table of Attachment 3, and a point calculation example is included in Attachment 4.
- 3.6. *Sequence of Events:* A summary of the sequence of events for the interim and end-of-period evaluations is provided in Attachment 6.

4.0 AWARD TERM PLAN CHANGE PROCEDURES

Changes to this plan can be done unilaterally by the CO prior to the beginning of any new evaluation period, for changes that will become effective in the next evaluation period. Any change that will affect a current evaluation period must be agreed to bilaterally. All changes to this plan must be incorporated by contract modification.

5.0 ANNEX

Annex 1: Award Term Review Board Organization
Annex 2: Evaluation Criteria
Annex 3: Award Conversion Table
Annex 4: Award Term Point Calculation Example
Annex 5: Award Term Evaluation Chart
Annex 6: Sequence of Events – Award Term Process

ANNEX 1

AWARD TERM REVIEW BOARD ORGANIZATION

Term Determining Official

88 ABW/CV

Award Term Review Board Chairperson

88 ABW/LG

Award Term Review Board Members

88 CEG/CEZ

88 TRNS/LGT (Chief QAE)

445 MS/CC

AFMC Protocol Office

88 ABW/PKS Contracting Officer

88 ABW/PKSB Contract Administrator - Recorder

88 ABW/TRNS/LGTQ - Advisor/Monitor

Unit Vehicle Control Officers - Monitors

ANNEX 2

EVALUATION CRITERIA

The evaluation criteria for each evaluation period/Award Term and its represented weight factor are listed below:

For Evaluation Period/Award Term IV, V & VI

Performance	60 %
Customer Satisfaction	30 %
Small Business Subcontracting Management	10 %
Process Improvements	Up to 10 Points

Performance: The government will evaluate the contractor’s overall effectiveness in meeting the identified outcomes and performance standards of the contract, quality of service, and mission support. In addition, the government will assess the contractor’s overall management approach, and responsiveness.

Unsatisfactory: Performance of contract is inadequate and inconsistent, requiring attention and constant surveillance to ensure the mission is not affected. Fails to adapt to changing program and schedule requirements resulting in significant adverse impact. Fails to proactively manage workload and take initiative to resolve problems before the government points them out. Areas of deficiency tend to be recurring. The standards of performance are not met.

Satisfactory: Performance meets most standards and outcomes of the contract, and support is adequate with minimal disruption. Programs effectively and efficiently safeguard government property, personnel, and the environment. Identifies potential problem areas, or areas of process improvement, and applies solutions that prevent further deficiencies. Although there are areas of excellent performance, these are offset by deficiencies in other areas. The contractor is responsive to changing programs, scheduling, and responds to any contingency requirements. Occasionally increased government surveillance is required to ensure contractor performance is maintained. The contractor has a sound teaming approach with subcontractors to include effective organizational relationships and responsibilities. Effective performance metrics have been established, are tracked, and reported on time.

Excellent: Established programs and processes result in performance and a quality of service that is at or above the minimum standards and outcomes required. Support is uninterrupted and discrepancies are minimal. Contractor demonstrates initiative in planning, analyzing, and assessing the total impact of potential problems. Contractor proactively identifies high-risk areas early, plans alternative courses of action, and keeps the government well informed of developments. Very little performance surveillance is required because of the contractor’s own quality control plan. The lines of communication are well defined, clearly understood, and always facilitate rapid exchanges of information. There are no recurring problems.

2. **Customer Satisfaction:** The government will evaluate the contractor’s customer satisfaction survey system, resultant customer survey analysis, and overall customer satisfaction. The contractor’s process of measuring customer satisfaction should distinguish between the levels of satisfaction, with the mid

level rating set to correspond to the level of acceptable/satisfactory service as measured by user expectations. A total rating should be able to be calculated monthly by taking the average of the ratings for each service area’s customer satisfaction and a base wide customer satisfaction. An annual customer satisfaction rating would be the average of the monthly ratings for each month.

Unsatisfactory: Customers feel that the contractor has demonstrated a level of performance that is deficient in significant areas and received a total customer satisfaction rating below the customer’s expected acceptable level. The contractor’s customer satisfaction survey system and resultant analysis reports are inadequate. Immediate improvement is required.

Satisfactory: Customers feel that the contractor has performed in a manner that conforms to the standards and quality of service requirements of the contract. The service provider actively provides follow up seeking process improvements that will increase mission support, readiness, and overall customer satisfaction. Areas of good performance usually offset areas of deficiency and the contractor has received a “satisfactory” total customer satisfaction rating. The customer survey process being utilized is providing reliable results.

Excellent: Customers feel that the contractor has performed in a manner that meets or exceeds requirements. Deficiencies are very few and low in importance, and are offset by excellent performance in other areas. Provides uninterrupted and excellent support.

3. **Small Business Subcontract Management:** The Government will evaluate adherence to the contractor’s subcontracting plan in executing aggressive small business utilization goals.

Unsatisfactory: Did not meet the required subcontracting goal as established by the contract.

Satisfactory: Met the required subcontracting goal as established by the contract.

Excellent: Exceeded the required subcontracting goal as established by the contract.

4. **Process Improvement:** The contractor may earn up to ten additional ‘Bonus’ points per evaluation period for process improvements implemented or recommended by the contractor and determined beneficial by the ATRB, and for cost savings related to the cost reimbursable CLINs.

ANNEX 3

AWARD CONVERSION TABLE

<u>RATING</u>	<u>POINTS</u>
Unsatisfactory	< 49
Satisfactory	50 - 79
Excellent	80 - 100

ANNEX 4

AWARD TERM POINT CALCULATION EXAMPLE

EVALUATION PERIOD/AWARD TERMS I, II & III

<u>CRITERIA</u>	<u>RATING</u>	<u>POINTS</u>	<u>WEIGHTING</u>	<u>POINTS EARNED</u>
Performance	Satisfactory	55	60 %	33.0
Customer Satisfaction	Satisfactory	51	30 %	15.3
Small Business	Satisfactory	60	10 %	6.0
Process Improvements		10		10

Total Points Earned for Award Term VI: 64.3*

* NOTE: The total 64.3 points would earn the contractor the fifth year or Award Term I.

ANNEX 5

AWARD TERM EVALUATION CHARTS

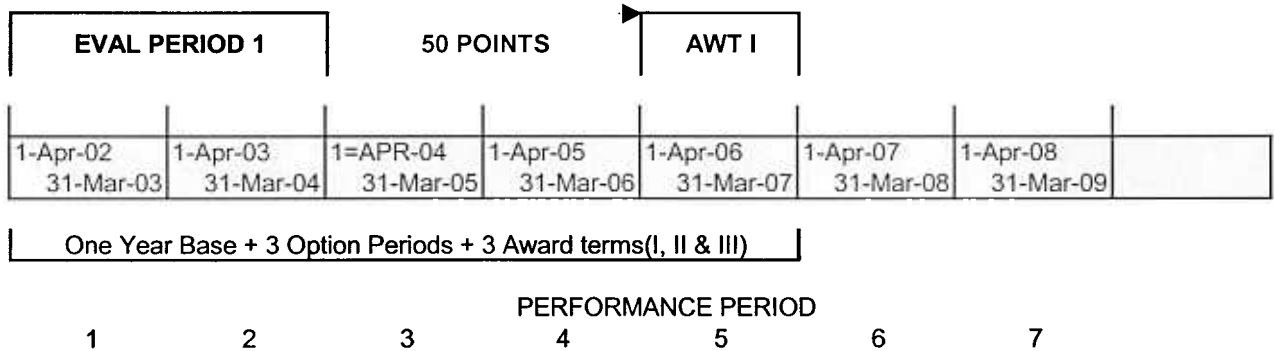
Eval Periods/Award Terms I, II & III

STANDARD POINTS EVAL PERIOD 1 = 100

BONUS POINTS = 10

TOTAL POSSIBLE POINTS = 110

TO RECEIVE PERFORMANCE PERIODS/AWARD TERMS, KTR MUST EARN 50 POINTS



ANNEX 6

SEQUENCE OF EVENTS – AWARD TERM PROCESS

Interim Evaluation

14 days before	Recorder notifies each ATRB member and performance monitor.
7 days after	Performance monitors submit evaluation reports to the CO.
7 days after	Contractor self-assessment submitted to the CO.
14 days after	ATRBR determines interim evaluation recommendation.
14-21 days after	ATRBR briefs the TDO and TDO determines interim results
30 days after	CO provides contractor the results of the evaluation.

End Of Period Evaluation

14 days before	Recorder notifies each ATRB member and performance monitor.
10 days after	Performance monitors submit evaluation reports to the CO.
10 days after	Contractor self-assessment submitted to the CO.
14-30 days after	ATRBR briefs evaluation report/recommendation to the TDO.
45 days after	TDO provides CO with award term determination.
60 days after	CO provides contractor the TDO’s determination and issues a contract modification reflecting any earned award term extension.
Changes to Award Term Plan	TDO shall be briefed on any recommended changes at least 90 days prior to the end-of-period evaluation to allow for negotiations with the contractor.

NOTE: All days identified are calendar days.